

**CALENDAR ITEM
C92**

A 70

12/18/15

PRC 6696.1

S 26

A. Franzoia

**RESCISSION OF APPROVAL OF A GENERAL LEASE – COMMERCIAL USE
AND ISSUANCE OF GENERAL LEASE – COMMERCIAL USE**

APPLICANT:

City of Avalon
P.O. Box 707
Avalon, CA 90704

AREA, LAND TYPE, AND LOCATION:

4.30 acres, more or less, of sovereign land in the Pacific Ocean at Hamilton Cove, Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:

Continued use, operation, and maintenance of 10 mooring buoys.

LEASE TERM:

15 years, beginning July 1, 2014.

CONSIDERATION:

25% of gross income derived from the rented mooring buoys against a minimum annual rent of \$4,580 (\$458 per installed mooring buoy) subject to modification by Lessor as specified in Paragraph 3(c) of Section 3-General Provisions.

SPECIFIC LEASE PROVISIONS:

Liability insurance in an amount no less than \$3,000,000 per occurrence. Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the Lease. Such insurance shall not exclude watercraft.

OTHER PERTINENT INFORMATION:

1. The City of Avalon (City) is the legislative grantee for tide and submerged lands in Avalon Bay, Descanso Bay, and a portion of Hamilton Cove pursuant to Chapter 303, Statutes of 1943 and as amended. The City owns the adjacent upland property. The lease area at Hamilton Cove

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comprises 4.3 acres of ungranted sovereign land which is immediately adjacent to the land in Hamilton Cove held under the legislative grant.

2. On April 20, 2000, the Commission authorized issuance of Lease No. PRC 6696.1, a General Lease – Commercial Use to the City for a period of 15 years for mooring facilities at Hamilton Cove. This lease expired on June 30, 2014.
3. On June 19, 2014, the Commission authorized issuance of a new General Lease – Commercial Use, beginning July 1, 2014, to the City for a period of 15 years, for 10 mooring buoys within the approximately 4-acre lease area. That lease was never executed pending the resolution of an issue regarding the Surety Bond requirement.
4. The City has requested the elimination of the Surety Bond requirement as a condition of the Lease in consideration of its status as a city and its continuous management and trust responsibility of Avalon Bay as grantee. The City requests the Commission authorize issuance of a General Lease – Commercial Use, beginning July 1, 2014, for a period of 15 years, for 10 mooring buoys. Staff believes that the elimination of a surety bond requirement from the City for 10 mooring buoys is consistent with the approach taken with other local governments and recommends the rescission of the previous authorization and the issuance of a new lease reflecting that change.
5. Rescission of lease is not a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378, subdivision (b)(5).

6. The staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et

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seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that issuance of the lease is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

1. Authorize rescission of the Commission's approval of Lease No. PRC 6696.1, a General Lease – Commercial Use, at the June 19, 2014, meeting.
2. Authorize issuance of a General Lease – Commercial Use to the City of Avalon, beginning July 1, 2014, for a term of 15 years, for the continued use, operation, and maintenance of 10 mooring buoys at Hamilton Cove as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in an amount equal to 25% of the gross income derived from rented mooring buoys against a minimum annual rent of \$4,580 (\$458 per installed mooring buoy); liability insurance in an amount no less than \$3,000,000 per occurrence which Applicant may satisfy all or part of through maintenance of a self-insurance program as outlined in the Lease; such insurance shall not exclude watercraft.

EXHIBIT A

PRC 6696.1

LAND DESCRIPTION

A parcel tide and submerged land situated in San Pedro Channel of the Pacific Ocean adjacent to and northerly of the northwesterly boundary of the City of Avalon, Santa Catalina Island, Los Angeles County, State of California, more particularly described as follows:

BEGINNING at Station 46 as shown on the map filed for record December 22, 1966 in Map Book 2423 Page 904, Official Records of said County, said point being on the northwesterly boundary of the City of Avalon and on the ordinary high water mark of the Pacific Ocean as shown on said map; thence along the continuation of said boundary North $37^{\circ} 01' 00''$ East 409.80 feet; thence leaving said boundary North $11^{\circ} 32' 29''$ West 270.00 feet; thence South $82^{\circ} 02' 17''$ West 435.00 feet; thence South $10^{\circ} 04' 43''$ East 345.00 feet; thence South $42^{\circ} 49' 05''$ East 261.50 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark of said Pacific Ocean.

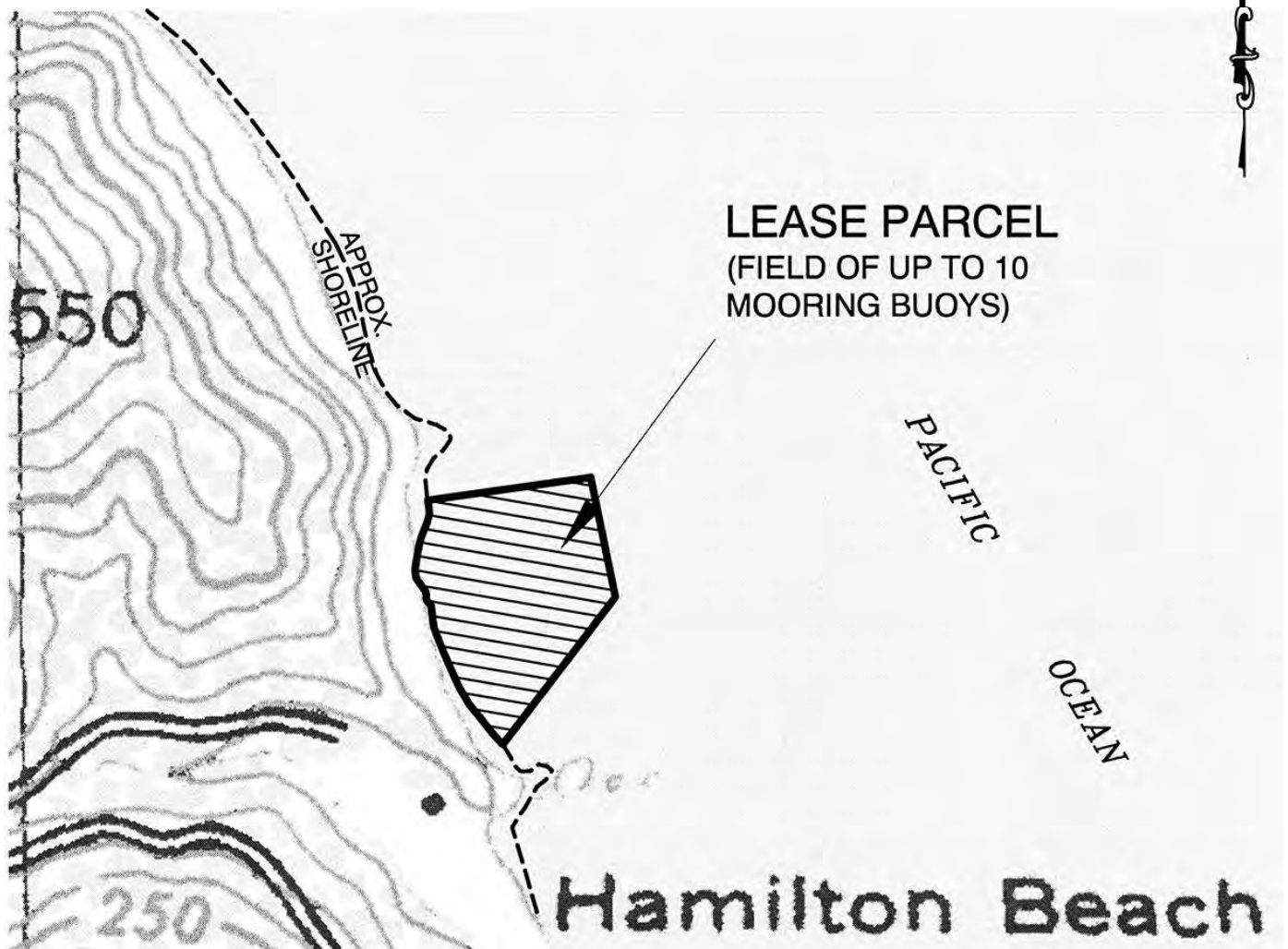
END OF DESCRIPTION

Prepared 05/28/14 by the California State Lands Commission Boundary Unit



NO SCALE

SITE



HAMILTON COVE, CITY OF AVALON

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 6696.1
CITY OF AVALON
GENERAL LEASE-
COMMERCIAL USE
LOS ANGELES COUNTY



TS 05/28/14